September Market Pulse: Fortnightly Investment Insights

September Fortnight Review: FPI Equity Buying Streak Ends; Debt Selling Intensifies, DIIs Stay Supportive

❖ **FPI Equity Flows Turn Negative After Five Consecutive Buying Fortnights**

➢ **FPI Equity Flows Turn Negative:** FPIs sold **₹14,116 Cr** of Indian equities during **1st–15th September 2026**, bringing an end to their **five consecutive fortnights of buying streak**. The selling was concentrated in the **secondary market, with outflows of ₹15,545 Cr**, while FPIs continued to participate in the **primary market/IPOs with net buying of ₹1,429 Cr**, partially cushioning the overall outflow.

➢ **FPI Debt Selling Intensifies:** FPIs recorded **₹7,662 Cr of debt outflows** during the first half of September, marking the **third consecutive fortnight of selling**. Importantly, the quantum of debt selling has **increased in each of the last three fortnights**, indicating continued reduction in foreign investor exposure to Indian fixed-income securities.

➢ **FPIs Remain Net Sellers in CY2026:** Despite five consecutive fortnights of equity buying before September, FPIs remained net sellers of Indian equities at **₹2,38,557 Cr in CY2026 till 15th September**. Cumulative FPI debt flows, however, remained positive at **₹73,326 Cr**.

❖ **Domestic Institutions Continue to Provide Market Support**

➢ **DII Buying Streak Continues:** DIIs remained consistent buyers, investing **₹27,673 Cr in equities** during **1st–15th September 2026**. Their cumulative equity purchases reached a substantial **₹5,82,012 Cr in CY2026**, continuing to provide strong domestic liquidity support to the market.

❖ **Mutual Fund Equity Buying Moderates**

➢ **MFs Remain Net Buyers, but Buying Moderates:** Mutual funds invested **₹15,348 Cr** in equities during **1st–8th September 2026**, lower than the previous fortnight, indicating a moderation in the pace of buying. Cumulative mutual fund equity investment in **CY2026** reached **₹3,78,369 Cr**, continuing to provide strong domestic support to Indian equities.

Fortnightly Investment Insights

Tracking Investments of Market Participants

Market Participants	For the Period 1st Sep, 2026 to 15th Sep, 2026		For the Period 1st Jan, 2026 to 15th Sep, 2026	
	Equity (INR Cr)	Debt (INR Cr)	Equity (INR Cr)	Debt (INR Cr)
FPI	(14,116)	(7,662)	(238,557)	73,326
DII	27,673	-	582,012	-
***Mutual Funds**	15,348	6,045	378,369	(569,323)

DII investments include MF Investments. *MFs data updated till 8th September. Other data updated till 15th September.

Absolute Returns: A Snapshot of Index Performance (%)

Benchmark	First Half of September	YTD 2026
Sensex	(3.84)	(13.16)
Nifty 50	(3.99)	(11.52)
Nifty Midcap 150	(5.00)	0.37
Nifty Smallcap 250	(2.61)	7.24

Mapping FPI Investments: Sector-wise Insights in Indian Equities

FPIs Turn Defensive in First Half of September; Financials Reverse to Selling While Healthcare Buying Continues

- **FPI Buying: Healthcare Leads Inflows for the Fifth Consecutive Fortnight**
  - During **1st–15th September 2026**, FPI buying was selective, with **Healthcare attracting the highest inflow of ₹2,114 Cr**, extending its **buying streak to 5 consecutive fortnights**. Continued foreign interest in healthcare may reflect the sector's **structural growth prospects, defensive characteristics and rising domestic demand**. FPIs also purchased **Construction worth ₹930 Cr**, **Services ₹905 Cr**, **Consumer Services ₹422 Cr**, **Chemicals ₹228 Cr**, **Utilities ₹194 Cr**, **Textiles ₹10 Cr** and **Forest Materials ₹7 Cr**.
- **FPI Selling: Financial Services Reverses After Two Fortnights of Buying**
  - **FPI Selling: Financials Reverse After Two Fortnights of Buying: Financial Services saw the highest outflow of ₹6,204 Cr**, reversing two fortnights of buying. FPIs also sold **Auto ₹2,670 Cr, Oil & Gas ₹2,385 Cr, FMCG ₹2,029 Cr and Power ₹1,653 Cr**, with **Oil & Gas selling extending to a second consecutive fortnight**.
- **CY2026 FPI Flow Snapshot Till 15th September: Financials Remain the Biggest Drag; Metals & Capital Goods Lead Buying**
  - On the sell side, **Financial Services remained the largest FPI drag with cumulative outflows of ₹1,07,859 Cr**, followed by **Automobile & Auto Components at ₹35,013 Cr**, **Oil, Gas & Consumable Fuels at ₹33,047 Cr**, **FMCG at ₹31,743 Cr**, **Telecommunication at ₹29,122 Cr** and **Information Technology at ₹27,746 Cr. Realty ₹7,900 Cr** and **Construction Materials ₹7,447 Cr** also remained in cumulative outflow territory.
  - On the buy side, FPIs continued to favour **Metals & Mining with cumulative inflows of ₹18,884 Cr**, followed by **Capital Goods at ₹15,377 Cr** and **Services at ₹11,182 Cr. Consumer Durables ₹6,701 Cr** also recorded meaningful inflows, while buying in **Utilities and Forest Materials remained marginal.**

Sector-Wise FPI Equity Purchases: 1st–15th Sept 2026		Sector-Wise FPI Equity Sales: 1st–15th Sept 2026	
Sector	Amount (INR Cr)	Sector	Amount (INR Cr)
Healthcare	2,114	Financial Services	(6,204)
Construction	930	Automobile and Auto Components	(2,670)
Services	905	Oil, Gas & Consumable Fuels	(2,385)
Consumer Services	422	Fast Moving Consumer Goods	(2,029)
Chemicals	228	Power	(1,653)
Utilities	194	Telecommunication	(991)
Textiles	10	Information Technology	(960)
Forest Materials	7	Realty	(762)

Sector-Wise FPI Equity Purchases in Jan-*Sept, 2026		Sector-Wise FPI Equity Sales in Jan-*Sept, 2026	
Sector	Amount (INR Cr)	Sector	Amount (INR Cr)
Metals & Mining	18,884	Financial Services	(107,859)
Capital Goods	15,377	Automobile and Auto Components	(35,013)
Services	11,182	Oil, Gas & Consumable Fuels	(33,047)
Consumer Durables	6,701	Fast Moving Consumer Goods	(31,743)
Utilities	168	Telecommunication	(29,122)
Forest Materials	33	Information Technology	(27,746)
		Realty	(7,900)
		Construction Materials	(7,447)

*All data considered till 15th September

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Tracking FPI AUC in Indian Markets

FPI AUC Declines in First Half of September; Equity Holdings Drive the Fall

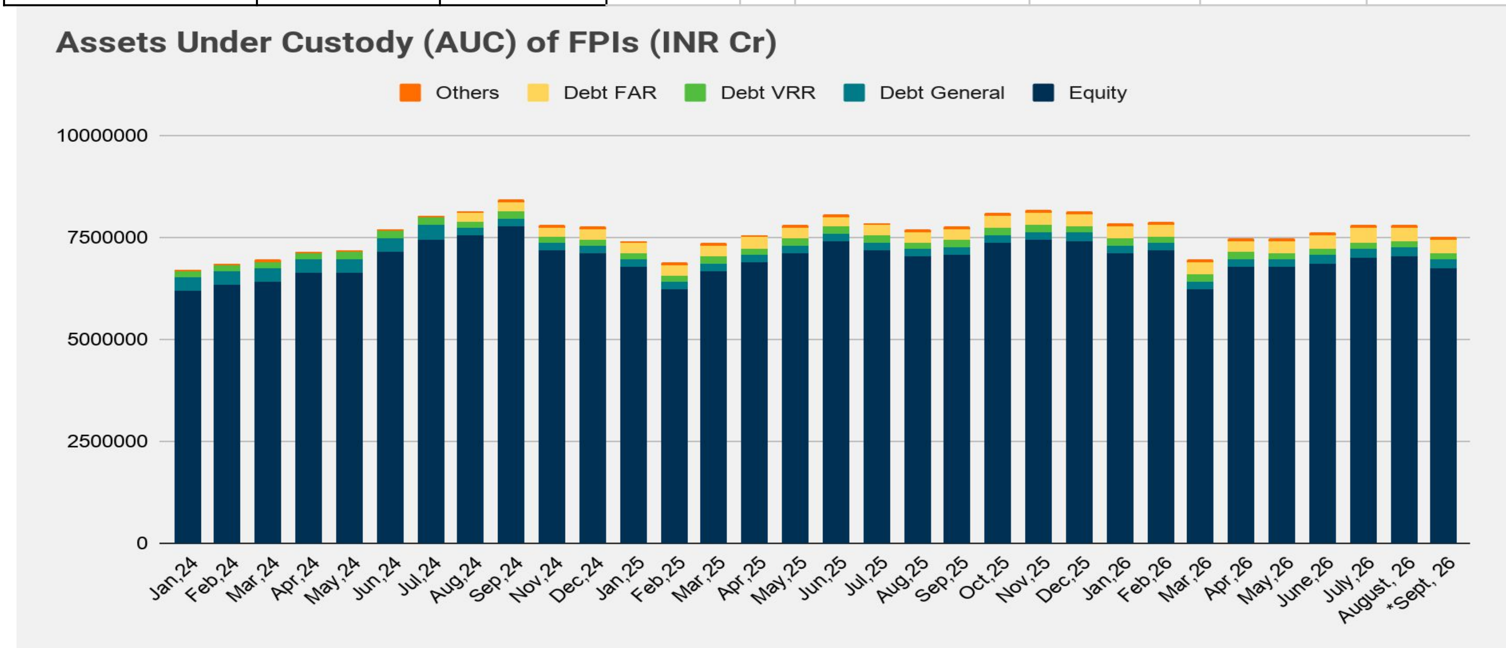
- Foreign Portfolio Investors' Assets Under Custody (AUC) declined to **₹75.11 lakh crore as of 15th September 2026** from **₹78.13 lakh crore at the end of August**, a fall of **₹3.02 lakh crore**. The decline was primarily driven by equities, where AUC fell by **₹2.92 lakh crore to ₹67.46 lakh crore from ₹70.38 lakh crore**, reflecting the combined impact of **FPI selling and weaker equity market valuations** during the fortnight.

- On the debt side, AUC declined across all major categories. **Debt FAR recorded the largest fall of ₹5,133 Cr**, followed by **Corporate Bonds at ₹1,436 Cr**, **Debt VRR at ₹779 Cr** and **Debt General at ₹129 Cr**. **Others categories also declined by ₹3,355 Cr**, indicating broad-based moderation in FPI assets outside equities during the first half of September.

- Sectorally, **Financial Services recorded the largest decline in FPI equity AUC at ₹93,958 Cr**, followed by **Automobile ₹40,745 Cr, Capital Goods ₹32,997 Cr, IT ₹20,074 Cr and Oil & Gas ₹14,741 Cr**. The decline in Financial Services was particularly notable as the sector also witnessed the **highest FPI selling during the September fortnight**, while Healthcare AUC declined by **₹9,378 Cr despite continued FPI buying** in the sector.

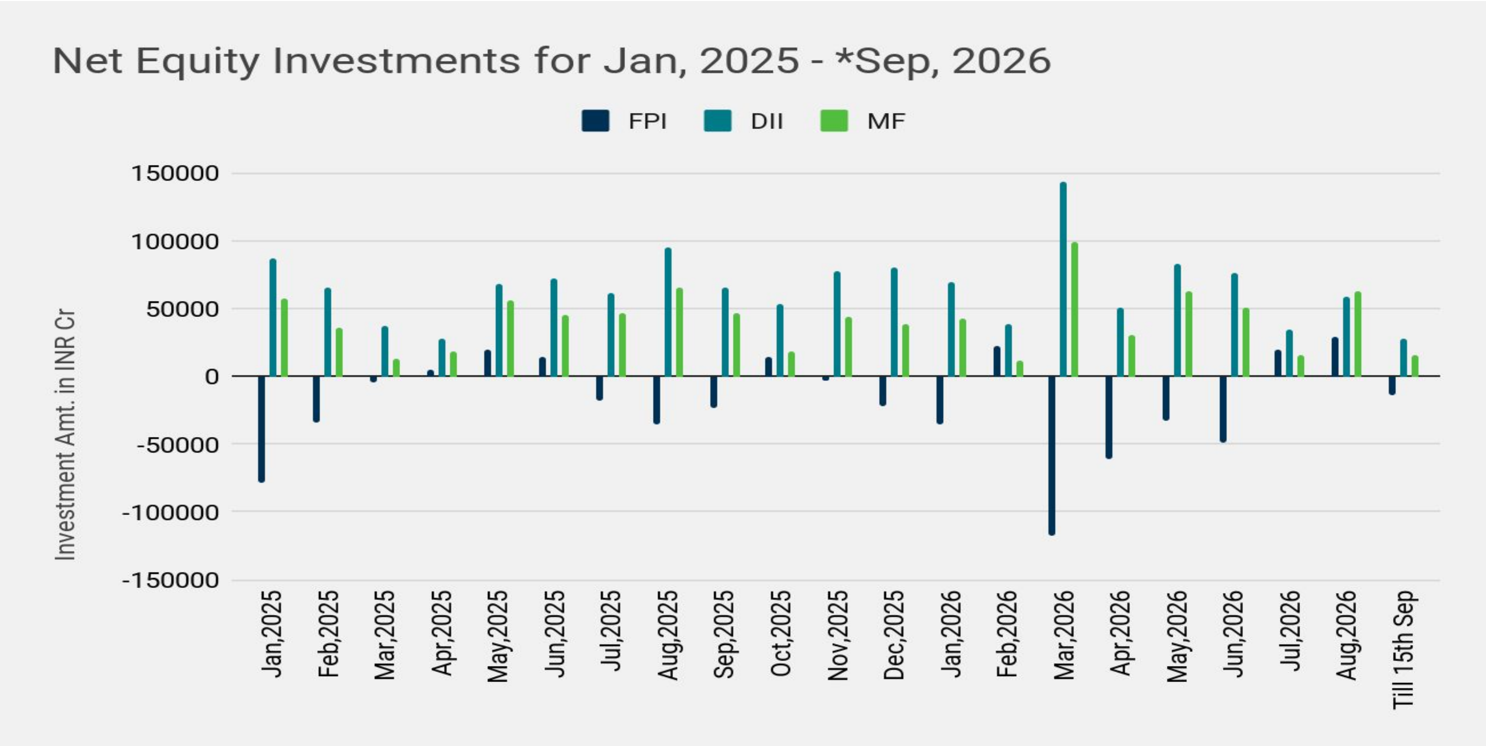
Assets Under Custody (AUC) of FPIs (INR Cr)			
Segment	***Sept, 26**	**August, 26**	**Change**
Equity	6,746,097	7,038,299	(292,202)
Debt General	208,263	208,392	(129)
Debt VRR	154,976	155,755	(779)
**Corporate Bonds	284,042	285,478	(1,436)
Debt FAR	331,296	336,429	(5,133)
Others	70,822	74,177	(3,355)
Total	**7,511,454**	**7,813,052**	**(301,598)**

Key Sectoral Breakdown of FPI Equity AUC (INR Cr)			
Sector	***Sept, 26**	**August, 26**	**Change**
Financial Services	2,027,312	2,121,270	(93,958)
Healthcare	535,596	544,974	(9,378)
Automobile	507,517	548,262	(40,745)
Capital Goods	483,278	516,275	(32,997)
Oil & Gas	442,750	457,491	(14,741)
IT	380,567	400,641	(20,074)
Telecom	346,297	347,396	(1,099)

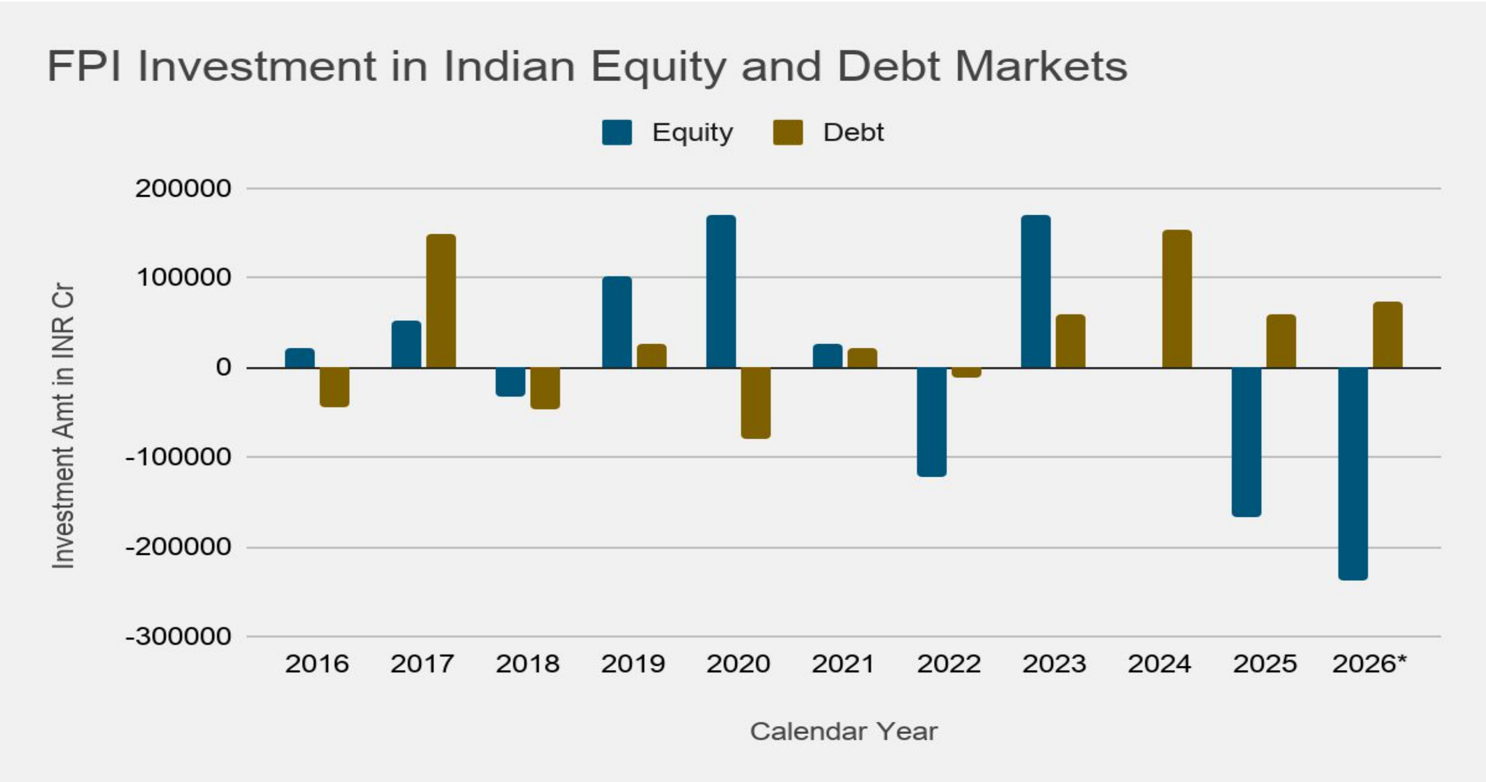


**Corporate bond figures are already included within Debt General and Debt VRR; they are shown separately only for category-wise reporting.
*All data is updated till 15th September, 2026.

Equity Investment Breakdown by Participant



FPI Investment in Indian Equity and Debt Markets



*MFs data is updated till 8th September. Other data is updated till 15th September, 2026. DII investments include MF investments.

Source: NSDL, SEBI